

03/01/2000 02:52:40 PM

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1999 DRAFTING REQUEST**Senate Amendment (SA-SB12)**

Received: 03/01/2000

Received By: **champra**Wanted: **Today**

Identical to LRB:

For: **Robert Cowles (608) 266-0484**By/Representing: **Sean**This file may be shown to any legislator: **NO**Drafter: **champra**

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Subject: **State Finance - investment board**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Nuclear waste escrow fund

Instructions:

Take out s. 25.17(3)(dt)

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	champra 03/01/2000	gilfokm 03/01/2000	haugeca 03/01/2000	_____	lrb_docadmin 03/01/2000	lrb_docadmin 03/01/2000	

FE Sent For:

<END>

03/01/2000 02:25:08 PM

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1999 DRAFTING REQUEST**Senate Amendment (SA-SB12)**

Received: 03/01/2000

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/1	champra	1-3-1-2000 King	OK 3-1	PAH 3-1			

FE Sent For:

<END>

Champagne, Rick

From: Ken.Johnson [ken.johnson@swib.state.wi.us]
Sent: Tuesday, February 29, 2000 1:23 PM
To: 'sean.dilweg@legis.state.wi.us'
Cc: Mason, Tony; 'Champagne, Rick'
Subject: RE: Senate Bill 12--Drafting Issue

Sean,

There is a technical amendment that should probably be made to SB 12 to clarify the investment of moneys in the escrow fund. We've discussed with Rick Champagne.

Ken Johnson
SWIB
7-0221

-----Original Message-----

From: Champagne, Rick [mailto:Rick.Champagne@legis.state.wi.us]
Sent: Tuesday, February 29, 2000 8:37 AM
To: 'Keith.Johnson'; 'Ken.Johnson'
Cc: Mason, Tony
Subject: RE: Senate Bill 12--Drahting Issue

I've gone over 1999 SB 12 to determine why Scott Hubli created s. 25.17 (3) (dt). As far as I can tell, there is nothing in the file that sheds any light for his choice, but I believe that I can offer a possible explanation. Scott was clearly trying to ensure that the moneys in the nuclear waste escrow fund were invested only in interest-bearing accounts at banks or in short-term U.S. obligations. Had Scott not created s. 25.17 (3) (dt), then SWIB could have invested the moneys in the nuclear waste escrow fund (which would then be in the SIF) under s. 25.17 (3)(b), which permits other kinds of investments.

I agree with Keith that, as drafted, SB 12 would permit these moneys to be invested in the SIF given the language of s. 25.14 (1); in other words, I do not believe that there was any intent to prohibit these funds from being invested in the SIF. All that SWIB would need to make certain is that these moneys are not invested in the SIF in any way other than in interest-bearing accounts at banks or in short-term U.S. obligations. I also agree with Ken that this may create some additional workload for SWIB in terms of tracking these moneys.

I believe that we could amend SB 12 to delete the creation of s. 25.17 (3) (dt) and it would not fundamentally change the intent of the proposal. The only result of such an amendment would be to permit the investment of these moneys in any manner permitted for SIF investments, which can include investments other than investments in interest-bearing accounts at banks or in short-term U.S. obligations. Please advise if you would like for me to draft such an amendment.

Rick Champagne
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Email: rick.champagne@legis.state.wi.us

-----Original Message-----

From: Keith.Johnson [mailto:keith.johnson@swib.state.wi.us]
Sent: Friday, February 25, 2000 10:45 AM
To: Ken.Johnson; 'Rick Champagne (E-mail)'
Cc: 'Tony Mason (E-mail)'; Jon.Traver
Subject: RE: Senate Bill 12--Drafting Issue

Rick

The issue is that s. 25.14 (1) automatically puts the escrow fund in the State Investment Fund (SIF), but the new s. 25.17 (3) (dt) could be read to imply that it should be invested separately. (Though I think SWIB could still read it as allowing the escrow fund to be invested in the SIF because the SIF contains the kinds of investments listed in s. 25.17 (3) (dt).)

The simplest thing from our standpoint is to just eliminate the provision creating s. 25.17 (3) (dt), which would clearly leave the escrow fund to be invested in the SIF. However, if the intent is to have it invested separately, the escrow fund should be listed in s. 25.14 (1) as excluded from the SIF.

Keith Johnson
Chief Legal Counsel
SWIB
266-8824

-----Original Message-----

From: Ken.Johnson
Sent: Friday, February 25, 2000 9:08 AM
To: Rick Champagne (E-mail)
Cc: Tony Mason (E-mail); Keith.Johnson; Jon.Traver
Subject: Senate Bill 12--Drafting Issue

Rick,

I understand that Joint Finance is scheduled to exec this bill on March 2. There is a drafting issue that should be considered. The intent seems to be to have the monies invested in liquid, short-term & secure investments. The types of investments envisioned under Section 3 are available under the State Investment Fund, which takes in cash balances for 40+ state accounts. If SIF will suffice, there would not be a need to create a separate investment strategy/portfolio. That would be our preference from a workload perspective,

Current law under s. 25.17(1) needs to be amended if the intent is not to have the monies placed in SIF. Give me a call at 7-0221 or Keith Johnson at 6-8824 if you would like to discuss. Thanks

Ken Johnson



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1565/1

RAC: f....
mg

Today

SENATE AMENDMENT ,
TO 1999 SENATE BILL 12

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 2, line 6: delete lines 6 to 10.

3 (END)